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Mexico

Tomatoes and Products

Annual Report

2007

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Report Highlights:
Assuming normal weather conditions, Mexico's total tomato production for MY 2007/08 is forecast to reach 1.95 MMT. MY 2006/07 tomato production is expected to be slightly lower at 1.93 MMT, primarily due to lower yields resulting from unfavorable weather conditions. Tomato exports for MY 2007/08 are forecast to increase due to strong demand. Tomato paste production for MY 2007/08 and 2008/09 is forecast to continue at low levels, as it is more economically feasible to import tomato paste than to produce it domestically. Thus, tomato paste imports are expected to continue at high levels.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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SECTION I. SITUATION AND OUTLOOK

TOMATO SITUATION

Tomato production in Mexico for MY 2007/08 (Oct/Sep) is forecast to reach 1.95 million metric tons (MMT), assuming normal weather conditions. MY 2006/07 production estimates are about 1.93 MMT, as weather affected the winter output. Exports for MY 2006/07 are estimated at lower levels compared to MY 2005/06 exports. This decline is primarily attributable to lower production and some quality problems, which were caused by unfavorable weather conditions during the winter season. Over the past several years Mexican greenhouse tomato production has started to become a more important factor in terms of total tomato production. According to sources, MY 2007/08 greenhouse tomato production could be over 3,000 hectares.

Tomato paste production in Mexico has become increasingly less profitable over the past several years. Increased production costs and lower international prices have forced the industry to import tomato paste rather than produce it domestically. Tomato paste imports are forecast to increase to 54,000 MT for MY 2008/09 in order to meet domestic demand.

SECTION II. STATISTICAL TABLES

FRESH TOMATO TABLE

MEXICO									
Fresh Tomatoes									(HA)(MT)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Plant For Fresh Consump	0	71000	64967	0	73600	65400	0	0	65000
Plant For Processing	0	1000	900	0	900	800	0	0	700
Total Area Planted	0	72000	65867	0	74500	66200	0	0	65700
Harv. For Fresh Cons.	0	69250	62475	0	71600	61600	0	0	62100
Harv. For Processing	0	850	800	0	800	700	0	0	600
Total Area Harvested	0	70100	63275	0	72400	62300	0	0	62700
Fresh Sale Production	0	2098750	2043370	0	2242000	1913500	0	0	1933000
Processing Production	0	21250	20000	0	24000	17500	0	0	17000
Total Production	0	2120000	2063370	0	2266000	1931000	0	0	1950000
Total Supply	0	2120000	2063370	0	2266000	1931000	0	0	1950000

TOMATO PASTE TABLE

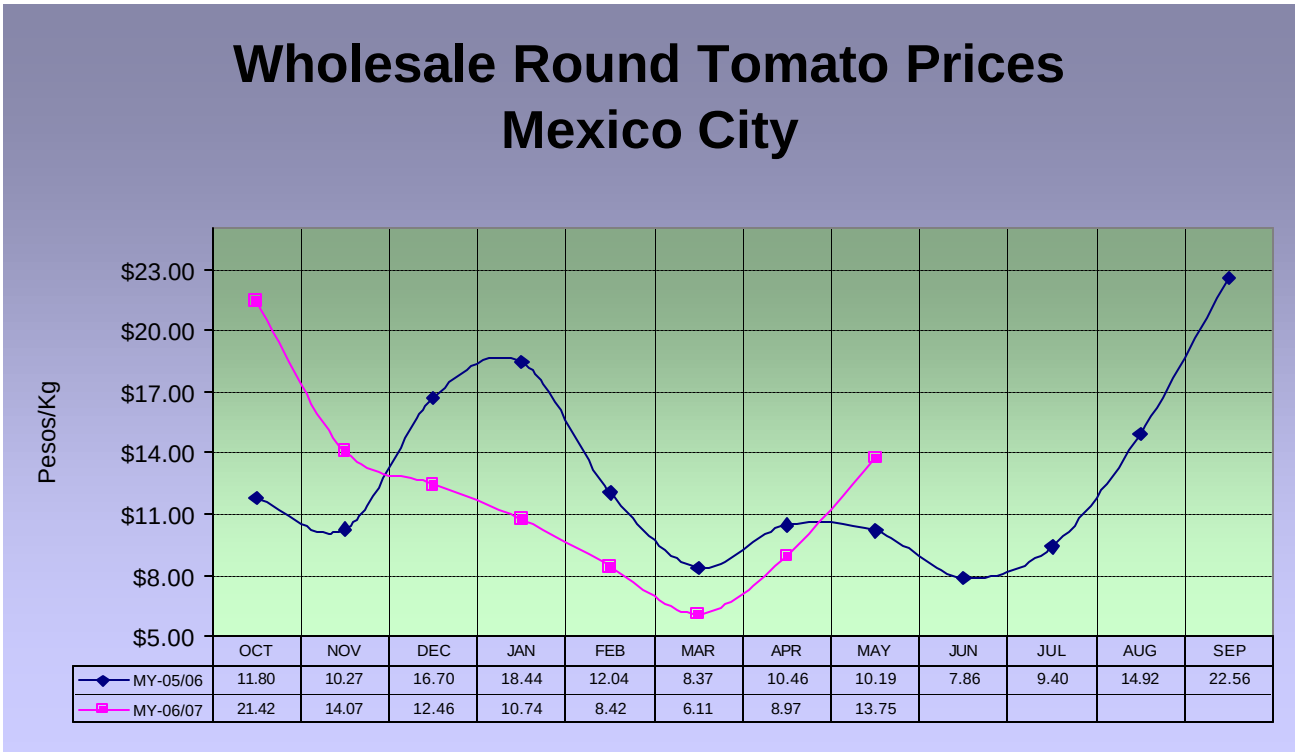
Mexico									
Tomato Paste,28-30% TSS Basis									(MT) (MT, Net Weight)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	03/2006			03/2007			03/2008		
Deliv. To Processors	17500	17500	42000	17500	17500	74800	0	0	42000
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	2500	2500	6170	2500	2500	11000	0	0	6170
Imports	46000	46000	55000	50000	50000	51700	0	0	55000
Total Supply	48500	48500	61170	52500	52500	62700	0	0	61170
Exports	1500	1500	6106	1500	1500	7700	0	0	6000
Domestic Consumption	47000	47000	55064	51000	51000	55000	0	0	55170
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	48500	48500	61170	52500	52500	62700	0	0	61170

TOMATO PRICES

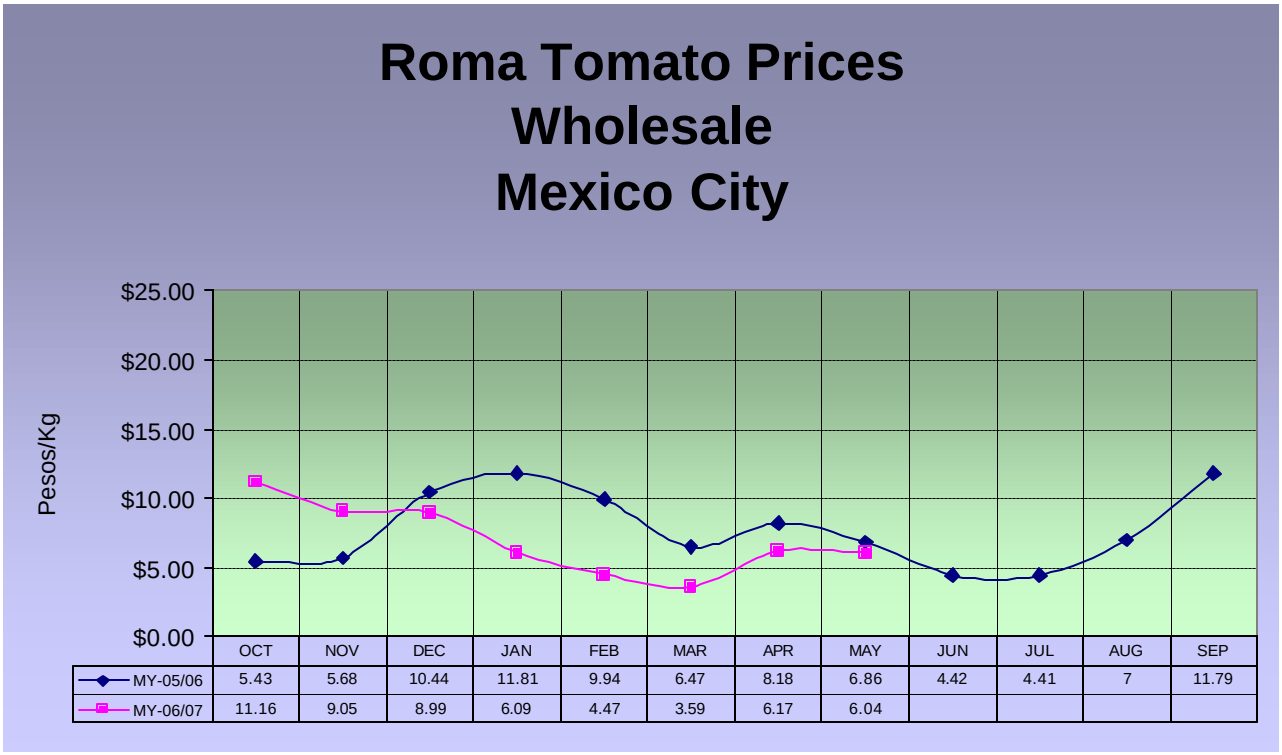
Wholesale Round Tomato Prices Mexico City Pesos/Kilogram			
Month	**2006**	**2007**	CHANGE %
JANUARY	18.44	10.74	(41.75)
February	12.04	8.42	(30.06)
MARCH	8.37	6.11	(27.00)
APRIL	10.46	8.97	(14.24)
MAY	10.19	13.75*	34.93
JUNE	7.86	N/A	N/A
JULY	9.40	N/A	N/A
AUGUST	14.92	N/A	N/A
SEPTEMBER	22.56	N/A	N/A
OCTOBER	21.42	N/A	N/A
November	14.07	N/A	N/A
December	12.46	N/A	N/A

Wholesale Roma Tomato Prices Mexico City Pesos/Kilogram			
Month	2006	2007	CHANGE %
JANUARY	11.81	6.09	(48.43)
February	9.94	4.47	(55.03)
MARCH	6.47	3.59	(44.51)
APRIL	8.18	6.17	(24.57)
MAY	6.86	6.04*	(11.95)
JUNE	4.42	N/A	N/A
JULY	4.41	N/A	N/A
AUGUST	7.00	N/A	N/A
SEPTEMBER	11.79	N/A	N/A
OCTOBER	11.16	N/A	N/A
November	9.05	N/A	N/A
December	8.99	N/A	N/A

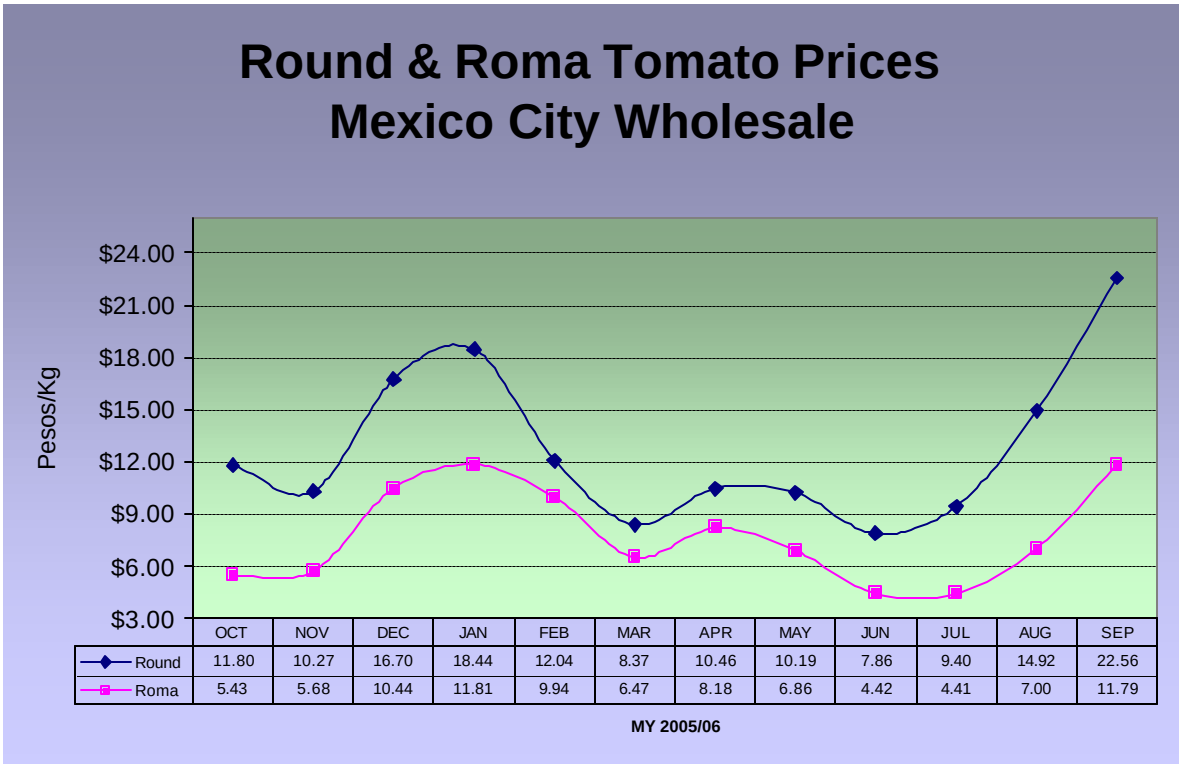
Source: Sevicio Nacional de Informacion de Mercados
2006 Exchange Rate Avg.: U.S.$1.00 = $ 10.89 pesos
May 22, 2007, exchange rate U.S. $1.00 = $10.87 pesos
* As of May 22, 2007



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
MY-05/06	11.80	10.27	16.70	18.44	12.04	8.37	10.46	10.19	7.86	9.40	14.92	22.56
MY-06/07	21.42	14.07	12.46	10.74	8.42	6.11	8.97	13.75				



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
MY-05/06	5.43	5.68	10.44	11.81	9.94	6.47	8.18	6.86	4.42	4.41	7	11.79
MY-06/07	11.16	9.05	8.99	6.09	4.47	3.59	6.17	6.04				



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Round	11.80	10.27	16.70	18.44	12.04	8.37	10.46	10.19	7.86	9.40	14.92	22.56
Roma	5.43	5.68	10.44	11.81	9.94	6.47	8.18	6.86	4.42	4.41	7.00	11.79

TRADE MATRICES

Tomatoes			UNITS: METRIC TONS		
Exports for MY 2005/06 (OCT-SEPT) to:			Imports for MY 2005/06 (OCT-SEPT) from:		
U.S.	1,035,099		U.S.	13,016	
OTHER			OTHER		
Canada	9,686				
TOTAL OF OTHER	9,686		TOTAL OF OTHER	0	
OTHERS NOT LISTED	25		OTHERS NOT LISTED	0	
GRAND TOTAL	1,044,810		GRAND TOTAL	13,016	

Tomatoes			UNITS: METRIC TONS		
Exports for MY 2006/07 (OCT-SEPT*) to:			Imports for MY 2006/07 (OCT-SEPT*) from:		
U.S.	467,187		U.S.	14,799	
OTHER			OTHER		
Canada	4,308				
TOTAL OF OTHER	4,308		TOTAL OF OTHER	0	
OTHERS NOT LISTED	22		OTHERS NOT LISTED	0	
GRAND TOTAL	471,517		GRAND TOTAL	14,799	

Tomato Paste			UNITS: METRIC TONS		
EXPORTS FOR MY 2005/06 (MARCH-FEB) TO:			IMPORTS FOR MY 2005/06 (MARCH-FEB) FROM:		
U.S.	6,273		U.S.	36,993	
OTHER			OTHER		
Guatemala	205		Chile	16,940	
Canada	18		China	746	
TOTAL OF OTHER	223		TOTAL OF OTHER	17,686	
OTHERS NOT LISTED	0		OTHERS NOT LISTED	266	
GRAND TOTAL	6,534		GRAND TOTAL	54,945	

Tomato Paste			UNITS: METRIC TONS		
EXPORTS FOR MY 2006/07 (MARCH-FEB) TO:			IMPORTS FOR MY 2006/07 (MARCH-FEB) FROM:		
U.S.	5,690		U.S.	54,190	
OTHER			OTHER		
Guatemala	329		Chile	40,886	
Canada	27		China	2,348	
TOTAL OF OTHER	356		TOTAL OF OTHER	43,234	
OTHERS NOT LISTED	60		OTHERS NOT LISTED	358	
GRAND TOTAL	6,106		GRAND TOTAL	97,782	

SOURCE: Global Trade Information Services, Inc. World Trade Atlas, Mexico Edition, January 2007.
* Data only includes figures as of February 2007

SECTION III. NARRATIVE ON SUPPLY & DEMAND, POLICY & MARKETING

FRESH TOMATOES

PRODUCTION

The Secretariat of Agriculture, (SAGARPA) has not yet released information on Mexico's overall tomato production forecast for MY 2007/08 (October/September), however, FAS/Mexico estimates that production could reach 1.95 million metric tons (MMT). According to sources, because MY 2006/07 tomato production was lower due to adverse weather conditions, producers might not be encouraged to increase production for MY 2007/08, as a number of farmers incurred significant losses.

The overall tomato production estimate for MY 2006/07 was revised downward from previous estimates to 1.93 MMT. This projection is lower than what producers originally expected because unfavorable weather conditions led to lower plantings and a number of quality problems. According to producers, average tomato yield per hectare is expected to be about 31 MT/ha. As a result of excessive rainfall and cold temperatures in Michoacan, Jalisco, Tamaulipas, and cyclones in Sinaloa, production was somewhat limited during December/January 2007, and thus driving tomato prices higher. The two tomato production cycles overlapped in February/March in Sinaloa, causing excess inventories and relatively low prices. Tomato production data for MY 2005/06 was revised downward, as a result of rainfall and cold temperatures.

Total planted area for tomatoes tends to remain fairly stable from year-to-year because growers are experiencing expansion constraints as a result of higher production costs, which are largely a function of international exchange rates and limited water availability. Tomato plantings for MY 2007/08 are forecast to be slightly lower compared to MY 2006/07, as winter growers might not be encouraged to plant more due to the unfavorable weather and price conditions of the past few years. Spring season growers, mainly in Baja California, had pest problems in the open field crop that may also induce less production in MY 2007/08. MY 2006/07 area planted and harvested was revised downward from the previous estimate due to weather related problems. Producers report that weather is only one of many factors that affect year-to-year plantings. Production area also tends to increase or decrease depending on domestic and international tomato prices, as well as demand for different tomato varieties. Much of the area that was previously devoted to processing has been shifted to fresh tomato production, as demand for processing tomatoes has declined significantly. Another factor that is currently affecting tomato area and other vegetables is that farmers are planning to plant more corn in Sinaloa, as it is a less risky product with lower production costs and relatively high prices, of late. Area planted for MY 2005/06 was revised downward as a result of rainfall and cold temperatures.

Mexico produces greenhouse tomatoes in several states. There is no official government data on area planted in greenhouses, but according to industry sources there are probably over 3,000 hectares of greenhouse plantings throughout Mexico, the majority of which are devoted to tomato production. Yields tend to vary significantly among producers, variety, and state, and generally range from 156 MT/ha to 276 MT/ha. Each state has its own set of economic incentives and supports for establishing greenhouse operations, and several states run training seminars, trade missions, and establish standards and certification programs. Although greenhouse operations are concentrated in Baja California, Baja California Sur, Jalisco, and Sinaloa, there is also some greenhouse production in the States of Colima, Mexico, Hidalgo, Michoacán, Querétaro, San Luis Potosí, and Zacatecas. Most of the production from greenhouses is destined for export markets, as prices on the international market tend to be significantly higher. However, according to industry sources a number of

greenhouse operations have closed in recent years due to high operating costs and difficulty accessing international markets.

During the winter season (October - May) growers in the State of Sinaloa are the main producers and exporters of tomatoes. Other significant producers are the States of Michoacan, Jalisco, and Baja California Sur. Sinaloa growers are expecting that the use of improved and extended shelf varieties, drip irrigation, and plastic mulch will help maintain their high yield levels. During the summer season (May – October), growers in Baja California are the main producers and exporters of tomatoes. Baja California's production is followed by the States of Michoacan, Jalisco, and Morelos. Producers in both Sinaloa and Baja California are more technologically advanced than other producing states. U.S. California tomatoes face direct competition from Baja California tomatoes, both internationally and domestically. However, greenhouse tomato production also competes with field tomatoes. Over the past several years producers from Jalisco have begun to increase their planted acreage. This increase is largely attributable to their success in exporting to the United States. Growers in Jalisco produce tomatoes for the summer cycle, and usually export after Baja California in October, November, and December.

Tomato production costs remain high across the country. According to growers, imported agrochemicals, seeds, and fertilizers are the most costly inputs. Fresh tomato production costs for MY 2005/06 vary from $50,000 to $76,000 pesos/ha (U.S. $4,587.15 to $6,972.47/ha) in the States of Sinaloa and Baja California, which produce for both domestic and export purposes. The cost of production depends largely on the value of the peso against the dollar, as many inputs are imported from the United States. Lack of credit is also a constraining factor for growers, as Mexican banks do not provide loans for tomato production. In a few instances producers with export contracts may receive some operating capital from contracting companies in the United States. Both producers and officials within the Mexican Ministry of Agriculture are very cognizant of the importance of meeting quality standards for fruits and vegetables and have implemented programs to comply with U.S. food safety requirements.

MY 2006/07 average fresh tomato yields are forecast at 31 MT/ha. Individual yields vary depending on production conditions and inputs. Baja California and Sinaloa growers generally achieve the highest fresh tomato yields, about 35 to 45 MT/ha, due in part to their widespread pest and disease control programs. In other areas of Mexico growers realize significantly lower yields, 16 to 30 MT/ha. This is mostly attributable to less intensive use of quality inputs and less effective pest control programs.

January 2007 Sinaloa grower prices for round tomatoes began at approximately $2.80 pesos/kg (U.S. $0.26/kg) and declined to about $2.10 pesos/kg (U.S. $0.18/kg) in March 2007, due to high inventories. Weather problems in Sinaloa led to reduced production, and Sinaloa producers were not able to meet market demand for late December 2006 and January 2007, as they typically do. Producers in the States of Michoacan, Nayarit, and Mexico seized upon this opportunity and supplied the market at slightly higher prices compared to 2005. Some greenhouse production also supplied the market during this time. Grower prices for Roma tomatoes from Sinaloa were approximately $1.15 pesos/kg (U.S. $0.10/kg) in January 2007, and declined to $0.90 pesos/kg (U.S. $0.08/kg) in March 2007. Statistically there is a tendency for round tomato prices to follow Roma tomato prices. So, whenever Roma prices begin to decline so do round tomato prices, regardless of the supply situation.

CONSUMPTION

Tomato consumption for MY 2006/07 is expected to be slightly lower compared to MY 2005/06. Tomatoes consumption is very price sensitive in Mexico, thus marginal changes in prices tend to lead to significant changes in demand. The final consumption figure will largely depend on tomato exports to the United States, since domestic consumption is basically a residual after exports. Traders indicated that tomato demand was very slow during January/March even though prices went down, and demand from the international market was not as strong as is typical in the first quarter. Tomato consumption for MY 2005/06 was not as high as expected due to lower demand and high prices. Though greenhouse production is limited, and tends to be priced higher, the market now has the option of meeting some of the domestic demand with greenhouse tomatoes when the open field crop dwindles, or is destined for the export market.

During March, April, and May, local tomato prices tend to rise because of increased exports from the State of Sinaloa, which in turn reduces supply on the domestic market. Exports also increase from June to August, as this is Baja California's international market window. By the end of November and December, tomato prices usually rise again, due to an increased rate of exports from the States of Jalisco and Sinaloa. The tomato paste industry has always bought tomatoes from the fresh market in addition to buying contracted tomatoes for processing. However, price competition in the fresh market has developed into a real problem for the processing industry. Over the past several years relatively high fresh tomato prices have diverted product away from the processed market. Thus, there has been very little industry demand for tomatoes destined to paste production, as it is more economically feasible to import tomato paste rather than to produce it domestically.

TRADE

According to Mexican trade data, Mexico exported 1,044,810 MTs of tomatoes in MY 2005/06 (Oct/Sept), the vast majority of which were shipped to the United States. This 21.3 percent increase over MY 2004/05 is largely attributable to the attractive high international prices and growing demand in developed countries. MY 2006/07 exports are expected to be 10-15% lower compared to MY 2005/06 because of the unfavorable weather problems that reduced supply during the winter crop production cycle. According to growers, international prices were relatively high in December/January 2006 but less produce was available due to bad weather conditions. By February/March 2007 prices had dropped measurably as the Florida crop entered the market, resulting in an oversupply situation in Mexico. Export Prices for the winter season of MY 2006/07 were lower compared to MY 2005/06.

The Tomato Suspension Agreement between Mexico and the United States, signed on December 4, 2002, binds all tomato exporters to an agreed upon reference price. The reference price for exporting fresh tomatoes for the summer season (July 1 to October 22) is 17.2 cents per pound, and the reference price for the winter season (October 23 to June 30) is 21.69 cents per pound. According to growers, tomato prices for 2005/06 have been well above the reference prices, but for 2006/07 there were problems due to oversupplies. Fresh tomato exports to the U.S. have a zero duty under NAFTA. Tomato tariff classification numbers are 0702.0001, and 0702.0099.

Fresh tomato imports from the United States represent a small portion of Mexico's fresh consumption, and fluctuate depending on international prices and domestic availability. According to importers, MY 2006/07 tomato imports have been slow, but they are expected to increase from June to September. Most of the imported tomatoes are sold in the northern States of Nuevo Leon, Sonora, Baja California, and Chihuahua. The States of Jalisco and

Mexico also sell imported product, but to a much lesser extent. Mexico imported 13,015.6 MT in MY 2005/06, 40 percent lower compared to MY 2004/05 imports. This decrease was due to a greater supply of competitively priced domestically produced tomatoes, and a slow start for U.S. exports to Mexico. MY 2006/07 imports however, are expected to be higher as there were good windows of opportunity in the Mexican market during October/November 2006. As of February 2007, imports have reached 14,799 MT.

Strict phytosanitary import rules limited U.S. tomato exports to Mexico. However, in July 2006 the Mexican government published a modification to NOM-008, which regulates imported tomatoes from the U.S. The modification eliminated the leaf tolerance requirement, thus harmonizing their import standard with that of the U.S. and Mexico. Prior to this modification Mexico would only accept a maximum of 5 percent of leafs, or 5 leafs per 100 tomatoes.

MARKETING

Fresh tomatoes destined for domestic consumption, including imported tomatoes, pass through various wholesale markets throughout Mexico, and from there to the large supermarkets and retail stores. A few stores, including a major U.S. based retail chain, import directly without going through the wholesale market channels, but this is still somewhat rare since most retail operations do not have import expertise. In the past, promotional campaigns for U.S. tomatoes have focused on proper tomato handling (e.g., how to ripen green tomatoes, etc.), point of sale material, and in-store promotions. The promotional campaigns concentrate on importers in the northern border cities, where larger volumes of tomatoes tend to be purchased. Tomatoes for the export market are shipped directly from the producing areas to the U.S. border.

TOMATO PASTE

PRODUCTION

Tomato paste production in Mexico has become increasingly less profitable over the last five years. Increased input costs, primarily higher fresh tomato prices, and lower international prices, have forced the industry to import tomato paste rather than produce it domestically. Of the paste manufacturers in Mexico, only a few produce paste for the domestic market. The rest produce for export, mainly to the U.S. Tomato paste production data is not readily available, as only a few producers provide accurate data.

Tomato paste production is forecast to continue at low levels, at 6,170 MT for MY 2008/09. Expectations are that most domestically grown tomatoes will be channeled into the fresh market, and international paste prices will continue at affordable prices. However, current international paste prices have been increasing, mainly in the U.S., where California is experiencing high fresh tomato prices.

On the other hand, production estimates for MY 2007/08 were revised upward from previous estimates due to a sudden change in domestic market conditions. Fresh tomatoes flooded the marketing in March/April 2007, and growers were forced to sell at the cost of production, or even less, due to a fall of prices. This situation was fortuitous for the paste industry. MY 2006/07 production estimates were revised upward from previous estimates as the industry managed to produce more paste, most of which went to export markets.

Planting and harvesting for processing tomatoes is largely a function of fresh domestic market prices and international tomato paste prices. Area that was previously devoted to

planting tomatoes for the processing industry was shifted to the fresh market, as demand for processing tomatoes has declined in the face of high fresh market prices. Area planted for MY 2005/06 was revised downward, reflecting lower tomato paste production in Mexico. MY 2006/07 and 2007/08 area planted for tomatoes for processing is estimated to continue on a downward trend. Yields for this type of tomatoes range from 30 MT/ha to about 40 MT/ha, given normal weather conditions. The balance of tomatoes for the processing industry is bought in the fresh market when needed.

In addition to international demand, Mexican tomato paste production is largely dependent on fresh tomato production. When international demand for fresh tomatoes is high, processing tomatoes are often diverted to the domestic fresh market, or the fresh export market. When international tomato prices are low, a greater supply of tomatoes is available to the processing industry. However, if international demand for tomato paste is low, there is still no reason for the domestic processing industry to increase supply. The domestic processing industry has been deeply impacted by recent low international tomato paste prices. Higher prices for domestically produced tomatoes and high production costs have also stimulated the increase in imported tomato paste.

Most plants operate from March through June. Seven tomato paste-processing plants, which constitute the majority of the Mexican tomato paste industry, are located in Sinaloa. These plants are owned by both Mexican and multinational firms. Due to the current international price situation, only one or two plants are still producing tomato paste. The other plants process fresh tomatoes into tomato sauces or tomato-containing products. Companies that import tomato pastes generally market it under their own labels and manufacture products such as ketchup, tomato-based juices, sauce, hot sauce, sardines, and other paste-containing products.

CONSUMPTION

Note: The tomato paste consumption data includes domestic production and tomato paste imported by the paste industry and the dehydration industry. According to industry sources, all of the dehydrated product is exported.

Prior to 2000, the domestic market acted as a buffer for large supplies of tomato paste when companies were producing at higher levels. However, since 2000, when companies started to reduce tomato paste production from the record-high levels of 30,000 to 40,000 MT, domestic consumption has been met through imports.

Tomato paste consumption for MY 2007/08 and 2008/09 is forecast to continue at high levels, due to continuous demand from the different industries producing tomato-based products. Most of this demand is being met by imported product. However, sources indicate that currently U.S. tomato paste inventories are very low, and fresh tomato prices are high, which might increase paste prices and negatively impact demand. High capital costs and the lack of adequate storage tend to encourage processors to sell excess supplies on the domestic market rather than to maintain inventories.

According to the industry, tomato paste destined to the dehydration industry has increased between 6,000 to 8,000 MT per year. The dehydration industry processes tomato paste mostly into tomato powder that is in turn exported.

TRADE

Mexico's possibilities of increasing its tomato paste exports have dwindled in the face of competition from the United States and China. Official Mexican data shows that MY 2006/07

tomato paste exports are about 6,106 MT, mostly destined for the U.S. However, U.S. trade import data shows that past imports from Mexico were 2,048 MT. This discrepancy between U.S. and Mexican trade data is significant, and, as of this date, inexplicable. A significant discrepancy between U.S. and Mexican tomato paste trade data was also reported in MY 2005/06. Tomato paste exports for MY 2006/07 were revised upward due to higher production, mainly for export purposes. Exports for MY 2008/09 are forecast to remain low as imports international prices are expected to continue to be unattractive. The few exports are produced on a contract basis with U.S. firms.

As domestic tomato paste production has decreased, tomato paste imports have increased during the last four or five years to meet consumer and food processing demand. Tomato paste imports in MY 2006/07 were revised upward from previous estimates to 55,000 MT. Imports are mainly driven by greater demand and competitive international prices. Official Mexican data shows imports for MY 2006/07 at 97,782 MT but sources indicate that this number does not sound viable, as October and November 2006 data is likely to be erroneous (October imports-23,298 MT and Nov imports-28,363 MT). Therefore FAS estimated a lower import number for this MY. The industry estimates that MY 2007/08 international tomato paste prices may increase due to unfavorable weather conditions for tomato production in the U.S. Therefore import estimates are lower for MY 2007/08. Additionally, Mexico will be producing some paste for the domestic market. MY 2008/09 tomato paste imports are forecast to increase compared to MY 2007/08 if international prices are favorable. According to industry sources, most tomato paste is imported from the United States, Chile, and China. Imports include tomato paste destined for the dehydration industry.

Tomato paste imports were on average U.S. $0.28 to 0.29/lb for MY 2006/07 FOB California, while exports prices were about U.S. $0.35/lb or more. Tomato paste imports are subject to a 20-percent duty from all non-NAFTA suppliers. Imports from the United States and Chile have a zero duty. The tariff classification code is 2002.90.99.